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TAGS: [PREL](#) [EAID](#) [KPAL](#) [IS](#) [PTER](#) [FR](#)
SUBJECT: 4/28 ABBAS-CHIRAC MEETING: GOF PROPOSES TRUST FUND
FOR PA SALARIES, CALLS FOR RESUMPTION OF NEGOTIATIONS

REF: A. OSLO 540

[1](#)B. PARIS 2593

Classified By: Acting Political Counselor Bruce Turner, reasons 1.4 (b)
and (d).

[1](#)1. (C) Summary: In a preliminary readout provided to poloff, Presidential Advisor for the Middle East Dominique Boche described the April 28 meeting between President Chirac and Palestinian Authority (PA) President Mahmoud Abbas as focused on two topics -- ways to increase international assistance to the Palestinians, and resumption of direct talks between Israel and the Palestinians. Boche described general agreement on both issues, with Chirac proposing a possible World Bank trust fund to pay PA salaries. (Full text of Elysee statement on Abbas-Chirac talks in para 6.) End summary.

[1](#)2. (C) On the question of assistance, Boche said Abbas reaffirmed support for the principle of non-contact with the Hamas-led PA government until it met the Quartet conditions. At the same time, Abbas criticized the EU decision to suspend assistance to the PA, and complained that the policy punished the Palestinian people, not Hamas, and was essentially pushing them into Hamas' arms.

[1](#)3. (C) Boche described Chirac as sympathetic to Abbas' appeal for resuming international aid "within the modalities" set by the Quartet. The two leaders discussed different options, with Chirac floating the idea of a World Bank trust fund to pay PA salaries. Boche added that a World Bank trust fund was one of many possible options, including a "hold fund" similar to those employed at the time of the formation of the PA; the GOF hoped to formulate its proposals in more detail in advance of the Quartet meeting May 9. An Elysee press release (see para 6) called for urgent consideration of increased Palestinian assistance on four tracks: UN agencies, independent Palestinian government institutions, the office of the PA presidency, and a possible World Bank trust fund to pay PA salaries.

[1](#)4. (C) Boche reported that Abbas also appealed for resumption of direct talks with Israel, without calling for an international conference, as he had done in Oslo (ref A). Abbas warned against any Israeli attempt to resolve the question of borders unilaterally, a point which he repeated in his press remarks prior to the meeting. Abbas described himself as the legitimately elected president of the Palestinian people, independent of Hamas, and fully capable of dealing directly with the Israeli government. Abbas added that the international community should not use the pretext of Hamas' refusal to accept the Quartet conditions to say that there was no Palestinian interlocutor for Israel. Boche

confirmed that Chirac was totally supportive of Abbas' appeal for resumption of talks with Israel, and the French president repeated this point during press remarks which preceded the meeting. (Note: The Elysee press release on the talks (para 6) did not mention the issue of direct talks, and focused on assistance only. End note.)

¶5. (C) Comment: Despite some troubling indicators, such as FM Douste-Blazy's ill-advised April 25 statement praising Hamas for condemning the Dahab bombings, the GoF has stayed within Quartet red-lines on contact with Hamas, recently turning down visas for a Hamas/PA planning minister and a separate delegation of Hamas MP's seeking also to travel to Norway (ref A). At the same time, the GoF appears to be seeking to balance this firmness by taking a vocal, opportunistic position calling for urgent consideration of ways to pay PA salaries and making symbolic calls for resumption of Israeli-Palestinian dialogue. We will seek additional details from MFA officials on the trust fund proposal, and will reiterate the need for continued unity on suspending contact with, and financial support to the unreformed, Hamas-led PA. End comment.

¶6. (U) The following is an informal Embassy translation of an April 28 Elysee press release on the Abbas-Chirac meeting.
Begin text:

The discussion focused essentially on the issue of aid to the Palestinians. With the President of the Palestinian Authority having described to the President of the Republic the humanitarian situation in the territories, the President of the Republic indicated that France is proposing to its European and international partners, notably in view of the May 9 Quartet meeting, that one reflect very quickly on a mechanism which permits the continuation and resumption of

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aid in the following four areas:

- first, maintaining and increasing humanitarian aid, particularly via UN agencies;
- in addition, projected aid should be maintained by passing via independent institutions of the Palestinian government;
- thirdly, direct assistance to the offices of the Presidency of the Palestinian Authority could be increased;
- finally, as for salaries, one could urgently study the creation of a fiduciary fund administered, for example, by the World Bank, and which would be the destination for aid directed towards payment of salaries.

End text.

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Stapleton